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National Association of Credit Managers

A plan for raising and administering a fund...

New York

[1914?]

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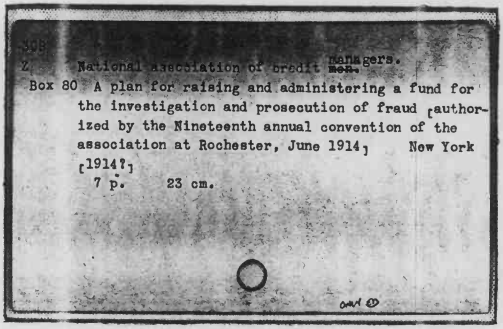
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National association of credit men.
Box 80 A plan for raising and administering a fund for the investigation and prosecution of fraud [authorized by the Nineteenth annual convention of the association at Rochester, June 1914] New York [1914?]
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A Plan for Raising and Administering a Fund for the Investigation and Prosecution of Fraud

NATIONAL ASSOCIATION OF CREDIT MEN
41 PARK ROW NEW YORK

PLAN FOR THE RAISING AND CONDUCT OF A FUND FOR THE INVESTIGATION AND PROSECUTION OF FRAUD OUTLINED BY THE COMMITTEE OF SEVEN OF THE NATIONAL INVESTIGATION AND PROSECUTION COMMITTEE AUTHORIZED BY THE NINETEENTH ANNUAL CONVENTION OF THE ASSOCIATION AT ROCHESTER, JUNE, 1914

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AGREEABLE to the unanimous vote of the National Association of Credit Men assembled in convention at Rochester, N. Y., that there should be formulated by an executive committee of seven of the National Investigation and Prosecution Committee a plan for raising and administering a special fund for the systematic prosecution of commercial fraud, such committee duly appointed, has adopted after careful study and investigation the following plan of procedure which they commend to the support of the membership of the National Association of Credit Men:

I. The fund shall be known as the "Investigation and Prosecution Fund of the National Association of Credit Men" and moneys received therefor shall be kept and administered separately from moneys received through the usual channels of income of the National Association of Credit Men.

II. The fund shall be secured through voluntary subscriptions made upon direct appeal to local associations, members of local associations and individual members of the National Association in such manner as may be determined and approved by the National Investigation and Prosecution Committee.

III. Recognizing apart from the broad and solicitous interest of all in the development of sound credits that protection afforded by such fund

cannot be uniform and that the contributions thereto should be proportioned to its protective value to the enterprises of the subscribers, no specific sum shall be fixed in the appeal made to members of local associations or individual members of the National Association, but the extent of such subscriptions shall be discretionary with the subscribers.

IV. The efficacy of prosecution work of this character can be determined only by consistent sustained effort over a period of years, therefore subscriptions will be asked to cover a period of at least five years in a certain sum payable each year on such date or dates as may be fixed by the committee or the subscribers. Subscriptions shall be legal obligations, binding the subscribers with the condition, however, that after the second payment a subscriber may for cause cancel his obligation for unmatured payments by giving notice to the chairman of the National Investigation and Prosecution Committee or the Secretary-Treasurer of the National Association of Credit Men posted by registered mail or delivered personally at least ninety days before the date of payment of the next installment.

V. When the total of the subscriptions from all sources pledged for the first year shall have reached the sum of $25,000 the plan shall be operative and first payments be collectible on date of payment fixed in the pledge or at once if no date of payment is named. All subscriptions to the fund before its operation shall be conditioned upon the total of the first year's payments amounting to not less than $25,000.

VI. For the purpose of obtaining subscriptions the National Investigation and Prosecution Committee shall conduct a systematic campaign of publicity preparing such forms and announcements as in its opinion may best advance the project.

VII. The plan for establishing a national fund is not to be understood as competing with nor lessening the necessity of prosecution funds created and operated by local associations of credit men, but as a complement to such funds furnishing to prosecutions undertaken by local associations who contribute or secure contributions to it the influence and substantial assistance of the national fund. Every local association will be impressed by the

committee more forcefully if possible than ever with the importance of raising and operating a fund of its own so that the great work of eliminating commercial fraud may the more speedily be effected under local and national co-operation.

VIII. Recognizing the peculiar autonomy of the National Association of Credit Men and that the plan proposed for prosecuting commercial fraud does not contemplate an effort by the National Association alone, except so far as related to individual members of the National Association to whom a direct appeal will be made, local associations will be looked to for substantial and cordial assistance in raising the desired amount and will be expected to assist the committee in obtaining contributions from their membership. Before the solicitation of local members is undertaken each association will be asked to elect whether it will assume a given sum assessed by the committee as an annual payment out of its treasury under conditions of Paragraph IV or will collect from its members by direct appeal in order to meet its quota or, on the other hand, permit or ask the National committee to appeal to its members direct, the local committee giving such assistance as is possible.

IX. Payments to the fund shall be deposited in a depository or depositories selected or approved by the chairman and at least two other members of the executive committee of the National Investigation and Prosecution Committee under the title "Investigation and Prosecution Fund of the National Association of Credit Men"; separate books of account shall be kept of the fund under the direction of the Secretary-Treasurer of the National Association of Credit Men, which books shall be audited annually and reports of receipts and disbursements made monthly to such executive committee.

X. All payments from the fund shall be by voucher signed by the chairman of the National Investigation and Prosecution Committee and the Secretary-Treasurer of the National Association of Credit Men.

XI. Anticipating the character of the requirements of the proposed prosecution plan and the need of systematic and expeditious treatment of

matters arising thereunder, a department shall be organized in the National office designated as the "Investigation and Prosecution Department" for the operation of which only actual and necessary expenses shall be charged against the fund. No charge shall be made against this fund for compensation to any member of the National Investigation and Prosecution Committee or the Secretary-Treasurer of the National Association of Credit Men, except for actual expenses incurred by them in the discharge of duties pertaining to the work.

XII. With a view to assuring active co-operation on the part of those who would naturally be most interested in prosecution cases, it is proposed that the National fund shall not originate nor exclusively conduct investigations and prosecutions but in its undertakings co-operate with investigations and prosecutions originated and undertaken by local associations or creditors individually, the purpose of this provision being to assure a sound division of responsibility and a mutuality of interest and investment which will guarantee the worthiness of the cases undertaken and which will relieve the Investigation and Prosecution Department of critically investigating the merits of every case submitted.

XIII. Upon receipt of a request from a local association or creditors individually for assistance from the National fund under the rules governing its administration by the National Investigation and Prosecution Committee, the co-operation of the interested local association or associations or creditors individually will be solicited that the co-operative purposes of the plan may be fully maintained.

Rules governing the treatment by the department of all requests for the granting of assistance and counsel will be drafted by the National Investigation and Prosecution Committee.

XIV. The raising and operating of a local prosecution fund by each of the local associations will give that assistance anticipated in these provisions for the carrying out of the co-operative plan of investigating and prosecuting commercial fraud and the expenses of conducting all cases will

be ratably and reasonably assessed against local and National funds as the circumstances in each case indicate are fair.

XV. While rules for governing in all respects the procedure in prosecution cases are to be developed by the National Investigation and Prosecution Committee, no case will be undertaken by the Prosecution Department of the National Association or receive its assistance until the approval of the chairman and two other members of the executive committee of the National Investigation and Prosecution Committee has been given. In cases involving peculiar difficulties the majority of the executive committee shall control and decide whether or not the National fund will be made available for the prosecution.

XVI. The service of counsel will be arranged for by the executive committee of the National Investigation and Prosecution Committee on the basis of an annual retainer.

XVII. The executive committee of the National Investigation and Prosecution Committee shall have authority to contract with some reputable well-known detective agency on an annual plan or agreed basis for service such that not only the Prosecution Department of the National Association but that of local associations shall advantage by the agreement. The executive committee will, if it so determines, arrange with the detective agency for a hanger or placard to be displayed by subscribers or by the members of the local associations which have subscribed, the purpose of which is to publish and give warning that the subscriber is under the protection of the Investigation and Prosecution Fund.

CONCLUSION. In the contemplation of this plan it is believed that the fund subscribed to the prosecution work of the National Association and the subscriptions to local prosecution funds should be in large amounts if they are to have a strong deterrent influence upon those who contemplate perpetrating fraud. It is the hope of the committee that the fund of the National Association plus funds of local associations may in the aggregate reach a figure sufficiently impressive to perform efficiently this important work.

A Plan for Raising and Administering a Fund for the Investigation and Prosecution of Fraud

National Investigation *and* Prosecution Committee

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